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Message Text

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ACTION EA-12

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-05 H-01
INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15
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R 050350Z MAY 78
FM AMEMBASSY VIENTIANE
TO SECSTATE WASHDC 9242
INFO AMEMBASSY BANGKOK
AMEMBASSY BONN
AMEMBASSY PARIS
AMEMBASSY TOKYO
AMCONSUL HONG KONG
CINCPAC

C O N F I D E N T I A L VIENTIANE 0521

CINCPAC FOR POLAD

E.O. 11652: XGDS 1, 4
TAGS: PDEV PEPR EAID PGOV PROP ETRD VM JA GW
SUBJECT: SRV USE OF BUSINESS INTERESTS TO INFLUENCE
FOREIGN GOVERNMENTS

CIXBIG (A) 77 HONG KONG ZQTOQR (NOTAL)
(B) 77 VIENTIANE 1660 (NOTAL)

1. A WEST EUROPEAN DIPLOMATIC SOURCE BASED IN HANOI TOLD US MAY 3 THAT THE SRV HAD APPARENTLY SUCCEEDED IN USING JAPANESE BUSINESS INTERESTS AS LEVERS TO MOVE THE JAPANESE GOVERNMENT INTO A XORE FORTHCOMING POSITION ON ASSISTANCE TO VIET NAM. OUR SOURCE BELIEVES THAT A NEW TARGET FOR SUCH MANEUVERING MAY BE WEST GERMAN FIRMS.

2. IN 1977, ACCORDING TO OUR SOURCE, THE SRV HAD ORDERED
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A HALT TO DELIVERIES OF JAPANESE GOODS BOUGHT WITH COMMERCIAL LOANS. THE VIETNAMESE HAD STRONGLY HNTED THAT THE REASON FOR THE STOPPAGE WAS THE JAPANESE GOVERNMENT'S POSTURE
IN SRV-GOJ NEGOTIATIONS OVER AID AND OTHER
MATTERS.

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3. ACCORDING TO OUR SOURCE, THE VIETNAMESE STRATEGY WORKED. JAPANESE BUSINESS, ANXIOUS TO STIMULATE THE FLOW OF JAPANESE PRODUCTS TO VIET NAM, BROUGHT PRESSURE ON THE JAPANESE GOVERNMENT TO CHANGE ITS TUNE ON VIET NAM. THE TANGIBLE RESULT OF THIS PRESSURE WAS THE PRESENTATION ON VIET NAM MADE BY JAPANESE AMBASSADOR HASEGAWA DURING THE JAPANESE CHIEFS OF MISSION CONFERENCE IN LATE DECEMBER.

4. AT THE MEETING, HASEGAWA REPORTEDLY SPOKE GLOWINGLY OF VIET NAM'S PEACEFUL INTENT AND FOCUS ON RECONSTRUCTION. HIS PRESENTATION, MADE AT THE DIRECTION OF THE JAPANESE FOREIGN MINISTRY, WAS OF COURSE CONTRA-DICTED BY THE VIETNAMESE-KAMPUCHEAN BORDER WAR WHICH SURFACED PUBLICLY SHORTLY THEREAFTER. AS INDICATED IN PARA 3 REFTEL, THE JAPANESE GOVERNMENT WAS ALSO MOVING QUICKLY AT THE TIME TO COMPLETE NEGOTIATIONS WITH VIET NAM ON DEBT CLAIMS AGAINST THE GRV. IT NOW APPEARS THE GOJ WAS ACTING IN ACCORD WITH SRV INSISTENCE AND JAPANESE BUSINESS PRESSURE.

5. IN ADDITION, THE SOURCE SAID THAT THE SRV'S RECENT SIGNING OF A TEXTILE AND AN OIL DRILLING AGREEMENT WITH WEST GERMAN FIRMS MAY BE AN ATTEMPT TO LAY THE GROUNDWORK. FOR SIMILAR BUSINESS PRESSURE ON THE BONN GOVERNMENT WITH RESPECT TO TRADE AND AID NEGOTIATIONS. THERE CONFIDENTIAL

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TALKS HAVE BEEN STALLED FOR A LONG TIME.

6. COMMENT: THE JAPANESE SCENARIO AS SKETCHED BY THE SOURCE SEEMS TO BE BROADLY CORRECT. A SENIOR JAPANESE OFFICIAL HERE TOLD US IN DECEMBER THAT JAPANESE BUSINESS ACTIVITY IN VIET NAM (SPECIFICALLY THE THE EXTENSION TO VIET NAM OF A LARGE LOAN BY COMMERICAL BANKS IN JAPAN) HAD "UNDERMINED ON-GOING DISCUSSIONS BETWEEN THE VIETNAMESE AND JAPANESE GOVERNMENTS OVER OUTSTANDING CLAIMS DERIVED FROM DEBTS TO JAPAN INCURRED BY THE REPUBLIC OF VIET NAM."

7. WHEREAS HANOI ONCE SOUGHT TO EXERT INFLUENCE ON WESTERN GOVERNMENTS BY MOBILIZING WORLD OPINION (LARGELY THROUGH THE WESTERN PRESS), IT NOW APPEARS TO RECOGNIZE THAT INTERNAL DEVEMENT IS NOT AS SENSATIONAL OR ENGAGING AN ISSUE AS WAR. CONSEQUENTLY, IT APPEARS TO HAVE FORSAKEN USE OF THE PRESS AND WORLD OPINION AS THE PRIMARY CHANNEL FOR INFLUENCING ON WESTERN GOVERNMENTS AND NOW SEEKS TO DEVELOP WESTERN BUSINESS INTERESTS AS THE MEANS OF BRINGING PRESSURE TO BEAR.
ROBERTS

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